

THE DELPHI LIFE AND DISABILITY
BENEFITS PROGRAM FOR
SALARIED EMPLOYEES

(Effective January 1, 2004
With Modifications Through
December 31, 2006)

DELPHI CORPORATION

DPH-OTM-0000600

Art. I

ARTICLE I

ESTABLISHMENT AND EFFECTIVE DATE
OF LIFE AND DISABILITY BENEFITS PROGRAM

1.01 – Establishment of Program

Delphi Corporation (the "Corporation" or "Delphi") on behalf of itself and certain of its directly or indirectly wholly-owned and substantially wholly-owned domestic subsidiaries, hereby establishes the Delphi Life and Disability Benefits Program for Salaried Employees (the "Program"). Benefits under the Program will be provided, at the discretion of the Corporation, through a self-insured arrangement or under a group insurance policy or policies issued by a Carrier as set forth in Article IV.

It is understood that for the purpose of determining eligibility for any coverage hereunder, any Employee covered under the provisions of this Program who, immediately prior, was eligible under the General Motors Life and Disability Benefits Program for Salaried Employees will be treated as though such Employee was continuously covered under this Program.

1.02 – Effective Date of Amended Program

The Program became effective January 1, 1999, and has been amended through December 31, 2006. For any Employee who is Actively at Work on or after January 1, 2004, the Program, as amended on or after January 1, 2004 will become effective on the later of January 1, 2004 and the date the Employee returns to active work, except as may otherwise be provided in Article III 3.02 and in Article IV.

Art. II

ARTICLE II

DEFINITION OF TERMS

2.01 – "Actively at Work"

Actively at Work means performing the regular duties of the Employee's assignment, as determined by the Corporation, on a scheduled workday at one of the Corporation's places of business or at any other location to which the Corporation's business may require the Employee to work. Assignment includes both the Employee's regular permanent assignment as well as any given on a temporary basis. If the effective date of coverage or change in coverage falls on a day that is not a scheduled workday for the Employee, such Employee will be deemed to be Actively at Work if the Employee was at work on the immediately preceding scheduled workday.

For purposes of the Program, an Employee on a special Career Transition Leave under a program approved by the Corporation is deemed to be Actively at Work while on such leave.

An Employee who is on an approved vacation, as determined by the Corporation, is to be considered Actively at Work while on such approved vacation.

2.02 – "Annual Base Salary"

Annual Base Salary, for purposes of determining amounts of coverage, means (a) 12 times the Employee's Monthly Base Salary; or, (b) the Employee's annual earnings base, if the Employee is compensated wholly or partially on a commission basis; and includes any premium for necessary continuous seven-day operations.

Notwithstanding the above, for purposes of determining amounts of coverage, Annual Base Salary for an Employee eligible to participate in the election of coverage amounts under the Options! Program means the Employee's Annual Base Salary as of each September 1 for the following calendar year while the Employee remains so eligible.

Art. II, 2.02

If an Employee receives an increase or decrease in Annual Base Salary prior to September 1, the resulting increased or decreased amount of life insurance coverage will become effective on January 1 of the following plan year.

2.03 – “Carrier”

Carrier means the entity by which coverages are underwritten or benefits are paid. As used in this Program, the term will include, but is not limited to, the following types of entities:

- (a) Delphi;
- (b) an insurance company; and
- (c) a non-governmental administrative service.

2.04 – “Dependent”

For purposes of (a) Dependent Life Insurance as set forth in Article IV, Section 4.12; or (b) Personal Accident Insurance as set forth in Article IV, Section 4.13, Dependent means the following:

- (a) Prior to January 1, 2005

The Employee's spouse or a Dependent Child as defined under the provisions of the Delphi Health Care Program for Salaried Employees except that Sponsored Dependents, Dependents acquired after the Employee's retirement effective date, and same-sex domestic partners and children of a same-sex domestic partner will not qualify as eligible Dependents. A child, who is otherwise eligible, will qualify as a Dependent from the moment of live birth. “Live birth” means that the child is born with spontaneous respiration or a heartbeat. Live birth does not include a stillbirth, miscarriage, spontaneous abortion or induced abortion.

Art. II, 2.04(b)

(b) On or After January 1, 2005

- The Employee's spouse. A spouse will also include the Employee's Same-Sex Domestic Partner; or
- The Employee's Dependent Child. A Dependent Child will also include a Dependent Child of the Employee's Same-Sex Domestic Partner.

provided any such person is eligible to be covered under the provisions of the Delphi Health Care Program for Salaried Employees, except that Sponsored Dependents and Dependents acquired after the Employee's retirement effective date will not qualify as eligible Dependents. A child, who is otherwise eligible, will qualify as a Dependent from the moment of live birth. "Live birth" means that the child is born with spontaneous respiration or a heartbeat. Live birth does not include a stillbirth, miscarriage, spontaneous abortion or induced abortion.

A child may not be covered as a Dependent of more than one Delphi salaried Employee. In the event of a claim for Dependent Life or Personal Accident Insurance when two Delphi salaried Employees have coverage on the life of the same Dependent, a benefit will be paid only to the Employee whose birthday occurs earlier in the calendar year.

For purposes of Dependent Life Insurance as set forth in Article IV, Section 4.12, a child born after the Employee's death will be an eligible Dependent only if such child is the issue of the surviving spouse's marriage to the deceased Employee and was conceived prior to such Employee's death. Any such child will be eligible on the same basis as a child born prior to the Employee's death.

For purposes of Personal Accident Insurance as set forth in Article IV, Section 4.13, any person insured as an Employee will not be considered an eligible Dependent.

~~Art. III, 2.05~~

2.05 – "Employee"

- (a) Employee means any person regularly employed in the United States by the Corporation or by a wholly-owned or substantially wholly-owned domestic subsidiary thereof, or a person so employed outside of the United States or Canada whose services, if discontinued, would be discontinued by recall to the United States, (except an Employee who is classified as a temporary Employee) on a salaried basis, herein referred to as Employees, including:
- (1) classified salaried Employees scheduled to work the normal base work week including Employees in professional/technical salaried positions;
 - (2) Commissioned Employees who are compensated wholly or partially on a commission basis;
 - (3) part-time physicians who are paid monthly salaries and who, without further considerations such as fees or other forms of remuneration, agree to render on a regular and continuing basis such medical services as may be require
 - (4) part-time salaried Employees whose service date is prior to September 1, 1984, (except part-time physicians) who, on a regular and continuing basis, perform jobs having definitely established working hours but the complete performance of which requires fewer hours of work than the regular work week, provided the services of such Employees are normally available for at least half of the employing unit's regular work week;
 - (5) Flexible Service Employees who, on an indefinite basis, perform jobs having definitely established working hours, but the complete performance of which requires fewer hours of work than the regular work week, provided the services of such Employees are normally available for at least 50% of the employing unit's regular work week;

Art. II, 2.05(a)(6)

- (6) executive salaried Employees;
- (7) salaried Employees of Delco Electronics Corporation (DEC);
- (8) former Employees of a Delphi business unit as defined by the GM/Delphi Employee Matters Agreement who are not retired as of January 1, 1999 and for whom the applicable sales or joint venture agreement provided for continued participation in the Program for a limited transitional period of time and where such sales or joint venture agreement had been approved by the General Motors Board of Directors or other committee or person(s) to whom such Board of Directors had delegated approval authority; and
- (9) former Employees of a Delphi Business unit as defined by the GM/Delphi Employee Matters Agreement for whom the applicable sales or joint venture agreement provides for participation in the Program solely for purposes of those post retirement coverages specifically provided for under the terms of such sales or joint venture agreement, and where such sales or joint venture agreement had been approved by General Motors Board of Directors or other committee or person(s) to whom such Board of Directors had delegated such approval authority.

(b) The term "Employee" will not include:

- (1) employees of any directly or indirectly wholly-owned or substantially wholly-owned subsidiary of the Corporation acquired or formed by the Corporation unless specifically approved for inclusion herein by the Delphi Board of Directors;
- (2) employees represented by a labor organization with which no written agreement has been reached making the Program applicable to such employees, unless such employees are included through

~~Art. II, 2.05(b)(2)~~

understandings between the Corporation and their collective bargaining representatives;

- (3) leased employees as defined under Section 414(n) of the Internal Revenue Code;
- (4) contract employees, bundled services employees, consultants, individuals who have represented themselves to be independent contractors, individuals whom the Corporation does not consider to be Employees, or other similarly situated individuals regardless of whether the individual is a common law employee of the Corporation. The purpose of this provision is to exclude from participation in the Program all persons who may actually be common law employees of the Corporation, but who are not paid as though they were employees of the Corporation regardless of whether that exclusion is correct;
- (5) former Employees of a Delphi business unit as set forth in Article II, Section 2.05(a)(8) above, upon termination of the transitional period and former Employees of a Delphi business unit as defined by the GM/Delphi Employee Matters Agreement for whom the applicable sales or joint venture agreement does not require continued participation in the Program, unless otherwise eligible as set forth in this Section 2.05; or
- (6) Cooperative Students whose service date is on or after January 1, 1999.

2.06 – "Length of Service"

Length of Service means the Employee's unbroken service as defined by rules established by the Corporation; except if the Employee is represented under a collective bargaining agreement, such Employee's Length of Service will be the same as the Employee's Length of Service as defined in such agreement. If an Employee retired under the terms of the Delphi Retirement Program for Salaried Employees is rehired, but does not have Length of

Art. II, 2.06

Service reinstated, the Employee will be deemed, solely to satisfy the purposes of the Program, to have Length of Service while so employed.

2.07 – “Monthly Base Salary”

Monthly Base Salary, for purposes of determining amounts of coverage, means the Employee's current regular rate of pay each month without overtime, night shift premium or any other payment, but does include premium for necessary seven-day operation, except that commissioned Employees will be deemed to have a Monthly Base Salary equal to 1/12th the annual earnings base determined in accordance with a schedule established by the Corporation.

Notwithstanding the above, for purposes of determining amounts of coverage for Supplemental Extended Disability Benefits and Long-Term Disability Benefits, Monthly Base Salary for an Employee eligible to participate in the election of coverage amounts under the Options! Program means the Employee's Monthly Base Salary as of each September 1 for the following calendar year. If an Employee receives an increase or decrease in Monthly Base Salary prior to September 1, the resulting increased or decreased amount of Supplemental Extended Disability Benefits and Long-Term Disability Benefits will become effective on January 1 of the following year.

2.08 – “Named Fiduciary”

Named Fiduciary means the Executive Committee of the Board of Directors of Delphi Corporation. The Executive Committee may delegate authority to carry out such of its responsibilities as it deems proper to the extent permitted by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Furthermore, certain authority may be delegated to a Carrier responsible for the adjudication of claims under the Program.

2.09 – “Options! Program”

Options! Program means The Delphi Options! Benefits Program for Salaried Employees in the United States.

Art. II, 2.10

2.10 – "2004 – 2006 Plan"

2004 – 2006 Plan means the Program as constituted on January 1, 2004 with modifications through December 31, 2006.

2.11 – "Program Administrator"

Program Administrator means Delphi Corporation or its delegate.

2.12 – "Years of Participation"

(a) Years of Participation will be the sum of:

- (1) the Employee's credited service accrued after January 1, 1999 under any pension plan or retirement program to which the Corporation has contributed;
- (2) any Years of Participation accrued under any General Motors Life and Disability Benefits Program prior to January 1, 1999;
- (3) any Years of Participation accrued under any GM Life and Disability Benefit Program after January 1, 1999; provided such employee immediately transferred to Delphi from General Motors in accordance with the GM/Delphi Employee Matters Agreement prior to January 1, 2001.

(b) In the case of an Employee who, immediately prior to the date such Employee becomes an Employee as defined in Section 2.05 of this Article, was employed by a subsidiary or affiliated company or corporation not providing coverage under this Program, credit for Years of Participation, if any, on account of such prior service will be determined under rules established by the Corporation.

Art. III

ARTICLE III

ELIGIBILITY FOR AND EFFECTIVE DATES OF COVERAGES,
AND FINANCING AND ADMINISTRATION OF PROGRAM

3.01 – Enrollment Options

Each eligible Employee will be enrolled in the Program. For Optional Life, Dependent Life, Personal Accident Insurance and Supplemental Extended Disability Benefits, an eligible Employee must complete an enrollment application or election through a telephone or other electronic enrollment system, for the coverage in which the Employee chooses to participate.

3.02 – Eligibility for Coverage

Persons who are Employees as defined in the Plan are eligible to participate in the Program.

For purposes of determining eligibility in this Program, Employees who return to the Corporation from employment with Peregrine or any divestiture on or after September 30, 1998, Employees' eligibility for coverage hereunder will be based on such Employees' adjusted service date as determined by the Corporation.

- (a) Basic Life, Sickness and Accident, Extended Disability Benefits, Short-Term Disability Benefits and Long-Term Disability Benefits Coverage

- (1) Basic Life Insurance

An Employee whose service date is prior to January 1, 2001 will be eligible for Basic Life Insurance coverage provided under Article IV on the later of January 1, 2004 and the first day of the third month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

Art. III, 3.02(a)(1)

An Employee whose service date is on or after January 1, 2001 will be eligible for Basic Life Insurance coverage provided under Article IV on the later of January 1, 2004 and the first day of the second month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

Notwithstanding the foregoing, certain executive Employees of the Corporation who would otherwise be eligible for Basic Life Insurance under the Program, and who are eligible for an alternative form of coverage which the Corporation owns or for which it makes contributions, will not be eligible for Basic Life Insurance. Such executive Employees will be eligible for all other applicable coverages under the Program on the same basis and under the same circumstances as such coverages would otherwise be provided had they become or continued to be eligible for Basic Life Insurance.

(2) Sickness and Accident and Extended Disability Benefits

An Employee whose service date is prior to January 1, 2001 will be eligible for Sickness and Accident and Extended Disability Benefits coverage provided under Article IV on the later of January 1, 2004 and the first day of the sixth month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

(3) Short-Term and Long-Term Disability Benefits

An Employee whose service date is on or after January 1, 2001 will be eligible for Short-Term and Long-Term Disability Benefits provided under Article IV on the later of January 1, 2004 and the first day of the sixth month next following the month in which employment with the Corporation commences subsequent to such Employee's most recent date of hire as determined by the Corporation.

Art. III, 3.02(b)

(b) When Coverage Resumes for Employees Returning to Work

If an Employee's coverage is discontinued and the Employee subsequently returns to work, such Employee's eligibility for coverage under the Program will be determined under subsection (a) herein except as follows:

(1) Employees on a Leave of Absence

If an Employee's coverage is discontinued while on a leave of absence and such Employee again becomes Actively at Work with Length of Service, the Employee will be eligible for all coverages under this Program immediately on the date of the Employee's return to active work with the Corporation.

(2) Employees Separated From Service Due to a Quit or Discharge

If separation from service was due to a quit or discharge but the Employee is reemployed within 31 days and no individual policy has been issued to the Employee in accordance with Article VI, Section 6.06, the Employee will be eligible immediately on the date the Employee is Actively at Work for all coverage under this Program for which such Employee was covered at the time of such quit or discharge.

(3) Employees Separated From Service for Reasons Other Than Quit or Discharge

If separation from service was due to a reason other than quit or discharge, and the Employee never acquired Length of Service or Length of Service was canceled, and the Employee returns to active work within a period of 24 consecutive months, the Employee will be eligible for all coverage under this Program for which the Employee was covered at the time of such separation immediately on the date the Employee is again Actively at Work with the Corporation.

Art. III, 3.02(b)(4)

(4) Employees Returning From Military Leaves of Absence

Notwithstanding any other provisions of the Program, an Employee upon reporting for work from military leave of absence in accordance with the terms of such leave will be eligible immediately for Basic Life Insurance provided under Article IV.

(c) Effective Date of Coverages

- (1) An Employee will become covered on each of the dates such Employee first becomes eligible as set forth in subsections (a) and (b)(1), (2), and (3) above, if Actively at Work on that date and on the date the Employee becomes eligible as set forth in subsection (b)(4) above.

Notwithstanding the above, Long-Term Disability Benefits will not become effective if the Employee has waived such coverage. Additionally, if the Employee is subject to proof of good health, Long-Term Disability coverage will become effective as set forth in Article IV, Section 4.10(b).

- (2) If an Employee is not Actively at Work on each of such dates such Employee's coverage would otherwise become effective as set forth in this Section 3.02 except subsection (b)(4) above, the Employee becomes covered on the date the Employee is again Actively at Work provided that date is not more than 24 months later, or if later, the Employee has not then broken Length of Service.

(d) Additional Coverage

The provisions of subsections (a), (b), and (c) of this Section to the contrary notwithstanding, if an Employee dies as a result of bodily injuries prior to becoming insured for Basic Life Insurance as set forth in this Section, such insurance coverage will be provided for such death but only if:

Art. III, 3.02(d)(1)

- (1) a benefit would be payable for such death under Section 4.03(a) of Article IV, had the Employee been insured for Basic Life Insurance;
- (2) the bodily injuries are caused solely by employment with Delphi; and
- (3) the bodily injuries result solely from an accident in which both the cause and result are unexpected and definite as to time and place.

3.03 – Amounts of Life Insurance in States With Insurance Laws Which Conflict With Insurance Policy Provisions

The Basic Life, Optional Life and Dependent Life Insurance Programs will be administered in compliance with applicable state laws to the extent legally required and to the extent such laws are not preempted by federal law.

3.04 – Program in States With Disability Benefits Laws

(a) Not Applicable in States With Laws Providing Such Benefits

- (1) The provisions of this Program pertaining to Sickness and Accident Benefits, Short-Term Disability Benefits, Extended Disability Benefits, Supplemental Extended Disability Benefits and Long-Term Disability Benefits will not be applicable to Employees in states having laws which now or hereafter may provide such benefits, under whatever name, for Employees who are disabled by non-occupational sickness or accident, or similar disability; and compliance by the Corporation with such laws will be deemed full compliance with the provisions of the Program with respect to Employees in such states.

If such benefits exceed the benefits provided under the Program, the Corporation may require from Employees in such states such contributions as it may deem appropriate for such excess benefits.

Art. III, 3.04(a)(2)

(2) In any state where the benefits under such state laws are on a generally lower level than the corresponding benefits under the Program, the Corporation will, to the extent it finds it practicable, provide benefits supplementary to the state plan benefits to the extent necessary to make the total benefits as nearly comparable as practicable to the benefits provided by the Program in states without such laws.

(b) Substitution of Applicable Provisions of Program for State Plan

The provisions of subsection (a) above to the contrary notwithstanding, the Corporation may, in any state wherein the substitution of a private plan is authorized by the law of such state, modify the provisions of the Program to the extent and in respects necessary to secure the approval of the appropriate state governing body to substitute the benefits provided by the Program in lieu of any plan provided by state law. Upon such modification and approval as a state-qualified plan, the Corporation may make the benefits provided by the Program available to its Employees in such state or states with such Employee contributions as may be appropriate with respect to any benefits under such modified Program benefits which exceed the benefits otherwise provided under the Program.

3.05 – Net Costs, Administration and Amendment of Program, Application and Claims Review Procedure and Non-Applicability of Grievance Procedure

(a) Net Costs

Except as provided in Article IV, Sections 4.11 (e), 4.12 (f) and 4.13 (e), the Corporation will also pay the balance of the net cost of the Program over and above any Employee contributions specified in Article V and the cost of benefits as presently provided to the Corporation's Employees under the California, New Jersey and New York disability benefit laws. It will also pay any increase in such costs and will receive and retain any divisible surplus,

Art. III, 3.05(a)

credits, refunds or reimbursements under whatever name, arising out of any such state plan benefits.

(b) Administration and Amendment

- (1) The Corporation, as the Program Administrator, will be responsible for the administration of the Program. The Corporation reserves the right to amend, modify, suspend or terminate the Program in whole or in part, at any time by action of its Board of Directors or other committee or individual expressly authorized by the Board to take such action. The benefits available to Employees are determined solely by the terms of this Program. Absent an express delegation of authority from the Board of Directors, no one has the authority to commit the Corporation to any benefit or benefit provisions not provided for under the terms of this Program. The Program Administrator expressly reserves the right to construe, interpret and apply the terms of this Program. In carrying out its responsibilities under the Program, the Carrier also will have discretionary authority to interpret the terms of the Program and to determine eligibility for and entitlement to Program benefits in accordance with the terms of the Program. Any interpretation or determination made by the Program Administrator or the Carrier, pursuant to such discretionary authority, will be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious. The determination of the Corporation or, in the event of an appeal, of the Carrier, will be final and binding on the Corporation, the insurance company and the Employee or the Employee's designated beneficiary.
- (2) Unless otherwise specifically provided herein, the Corporation will pay all expenses incurred by it in the administration of the Program.

Art. III, 3.05(c)

(c) Application and Claims Review Procedure

To receive benefits, an Employee (or beneficiary following the death of the Employee) must file an application or claim form obtained from the Carrier, in accordance with the instructions provided. Eligibility for benefits will be determined and the claim application will be processed by the Carrier, which has been granted the discretionary authority to construe, interpret, apply, make factual determinations, and administer the Plan. The Employee will be notified of benefits paid or, if the application for benefits is denied in whole or in part, written notice of such denial will be provided within a reasonable time but not later than 90 days, 45 days in the case of a disability claim (unless special circumstances require an extension), following receipt of the claim application. The notice will include specific reasons for the denial and will refer to the plan provisions upon which the denial is based. The notice will also include a description of any additional information that may be needed if the claim is to be resubmitted and an explanation of the procedure to be followed to have the claim reviewed if the claim has been denied.

(1) Life Insurance and Personal Accident Insurance

To afford Employees a means by which they can seek review and possible reconsideration of a life insurance or Personal Accident Insurance claim, excluding a claim for Total and Permanent Disability benefits under Personal Accident Insurance, denied by the Carrier, internal procedures of the Corporation will provide a procedure as follows:

Within 60 days following the receipt of the formal notification letter from the Carrier by which the Employee or beneficiary is advised of the reasons for the denial of the claim, the Employee or beneficiary may request in writing to have the claim reviewed. The request for review should be submitted to the Carrier at the address where the claim was processed. As part of the review, the Employee or beneficiary may submit any data or written comments to support the

Art. III, 3.05(c)(1)

claim. A written decision on the Employee's or beneficiary's request for review will be furnished within 60 days (120 days if special circumstances require an extension of time) after the request for review is received.

The written decision on the review will include the specific reasons for the decision and will set forth specific reference to plan provisions upon which the decision is based.

(2) Disability Including the Accelerated Benefits Option and Total and Permanent Disability

To afford Employees a means by which they can seek review and possible reconsideration of a disability claim, including a claim for Accelerated Benefits under Basic Life Insurance and Total and Permanent Disability benefits under Personal Accident Insurance, denied by the Carrier, internal procedures of the Corporation will provide a procedure as follows:

Within 180 days following receipt of the formal notification letter from the Carrier by which the Employee is advised of the reasons for the denial of the claim, the Employee may request in writing to have the claim reviewed. The request for review should be submitted in writing directly to the Carrier at the address provided in the initial determination. As part of the review, the Employee may submit any data or written comments to support the claim. A written decision on the Employee's request for review will be furnished within a reasonable time but not later than 45 days (90 days if special circumstances require an extension of time) after the request is reviewed.

This written decision on the review will include specific reasons for the decision and will set forth specific reference to plan provisions upon which the decision is based.

Art. III, 3.05(c)(2)

The written decision on review will also include a statement indicating the Employee's right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Employee's claim for benefits. The written decision will describe the voluntary procedure available to the Employee and indicate that the Employee may bring a cause of action for benefits under ERISA Section 502(a).

Review by the Carrier exhausts the mandatory administrative remedies available to the Employee. However, with the exception of a denial of Accelerated Benefits under Basic Life Insurance and Total and Permanent Disability benefits under Personal Accident Insurance, which are insured, and with regard to which the Carrier's decision on review is final and binding, if the Employee is not satisfied with the decision of the Carrier, the Corporation provides for an additional voluntary level of review by which the Employee may appeal in writing to the Plan Administrator. The Employee may submit an appeal under this voluntary process to the Plan Administrator. As part of the review, the Employee may submit any data or written comments to support the claim.

If an Employee is not satisfied with the decision of the Plan Administrator, the Employee may appeal in writing, within 60 days following receipt of the formal notification letter, to the Delphi Employee Benefit Plans Committee (EBPC) which has been delegated discretionary authority to construe, interpret and administer Delphi Employee benefit plans. The decision of the EBPC is final and binding.

If a Collective Bargaining Agreement applicable to a represented salaried Employee contains an appeal procedure which is different than the one described above, the appeal procedure in the Collective Bargaining Agreement will be applicable to that represented Employee.

Art. III, 3.05(c)(2)
Art. III, 3.05(c)(2)

The claims review procedure described above will be the exclusive means for resolution of all disputes concerning application for benefits and all other issues concerning the interpretation and application of the Program. Any decision resulting from this procedure will be final and binding upon the Corporation, the Union if applicable, the insurance company and the Employee or beneficiary. Any suit or legal action initiated by an Employee must be brought no later than one year following a final decision on the claim by the Carrier or, if the Employee pursues the voluntary appeal process, the EBPC, whichever is later.

(d) Grievance Procedure Not Applicable

It is understood that the grievance procedure of any Collective Bargaining Agreement will not apply to this Program or any insurance or administrative service contract in connection therewith.

3.06 – Treatment of Existing Coverage on Effective Date

- (a) Protection of Employees currently covered under Corporation Life and Disability benefits plans (except its New Jersey and New York Private Plans) will be terminated on the effective dates of the provisions of the amended Program as to Employees Actively at Work on such effective dates, and the benefits provided by the Program set forth in Article IV will be in lieu of and substitute for any and all other plans and benefits thereunder providing for insurance or disability benefits or payments to Employees or beneficiaries for death, loss of member, or disability benefits of any kind or nature, in which the Corporation participates.
- (b) All Employees currently covered under the Program who are not eligible to become covered on the effective date of the Program, as amended, or to whom any provision of the Program, as amended, is not applicable, will be covered in accordance with the conditions, provisions and limitations of the Program as constituted on the date each such Employee was last Actively at Work as if such Program were being continued during the existence of the

Art. III, 3.06(b)

Program set forth herein. The provisions of this subsection (b) will not be applicable to (i) an Employee whose coverage is reinstated upon retirement from an approved leave of absence as set forth in Article V, Section 5.05(c); or, (ii) a former Employee whose Basic Life Insurance is reinstated upon retirement from a successor employer under the terms of a sales or joint venture agreement.

Art. IV

ARTICLE IV

BASIC LIFE INSURANCE,
SICKNESS AND ACCIDENT BENEFITS, SHORT-TERM DISABILITY BENEFITS,
EXTENDED DISABILITY BENEFITS, LONG-TERM DISABILITY BENEFITS,
OPTIONAL LIFE INSURANCE, DEPENDENT LIFE INSURANCE AND
PERSONAL ACCIDENT INSURANCE

4.01 – Amount of Basic Life Insurance

The amount of Basic Life Insurance will be as set forth in the following schedule:

BASIC LIFE INSURANCE	
Applicable to	Amount of Insurance
Regular Salaried Employee (includes Classified and Executive) whose service date is prior to January 1, 2001	2 times Annual Base Salary as defined in Article II, Section 2.02, but not less than \$11,700 for a full-time Employee nor more than \$400,000 ¹
Regular Salaried Employee (includes Classified and Executive) whose service date is on or after January 1, 2001	\$50,000
Flexible Service Employee	\$15,000
¹ In addition, an Employee, other than a Flexible Service Employee, who is eligible to participate in the Options! Program may elect an amount of Basic Life Insurance equal to one times Annual Base Salary while the Employee remains eligible under the Options! Program. If the amount of Basic Life Insurance is not a multiple of \$100, such amount of insurance will be the next higher multiple of \$100.	

Art. IV, 4.02

4.02 – Basic Life Insurance

- (a) Employees Hired On or After January 1, 1993 or Whose Service Date is January 1, 1993 or Later, as Applicable

(1) Prior to Retirement

The amount of Basic Life Insurance to which an Employee is entitled prior to retirement is as shown in Section 4.01 of this Article.

(2) Upon Retirement

On the date on which an Employee retires, the amount of the Employee's Basic Life Insurance in force on the day immediately preceding such date will be discontinued. The Employee may exercise the conversion privilege in accordance with Article VI, Section 6.06.

- (b) Employees Hired Prior to January 1, 1993 or Whose Service Date is prior to January 1, 1993, as Applicable

Notwithstanding the provisions of subsection (b)(2) below, when calculating the amount of Continuing Life Insurance for an Employee eligible to participate in the Options! Program, the amount of insurance on the day immediately preceding the Employee's retirement effective date will be based on the Employee's Annual Base Salary as of the Employee's last day worked, rather than the Employee's Annual Base Salary on September 1, of the applicable plan year.

(1) Prior to Retirement

The amount of Basic Life Insurance to which an Employee is entitled prior to retirement is as shown in Section 4.01 of this Article.

Art. IV, 4.02(b)(2)

(2) Continuing Life Insurance After Retirement

On the date on which an Employee with ten or more Years of Participation retires (other than due to total and permanent disability), the amount of the Employee's Basic Life Insurance in force on the day immediately preceding such date will reduce to 1-1/2% of the amount in force times the number of Years of Participation, but in no event to less than \$5,000, except as otherwise provided in subsection (b)(3)(i) herein. If an Employee retires under the provisions of the Delphi Retirement Program for Salaried Employees for total and permanent disability, such reduction will occur on the first day of the month following the month the Employee attains age 65. Such reduced amount is referred to as Continuing Life Insurance and will be continued thereafter until the death of the Employee, (except as set forth in Article V, Section 5.07 for a Flexible Service Employee).

(3) General Provisions for Continuing Life Insurance

- (i) An Employee who last worked prior to January 1, 1994 but on or after October 1, 1990 and is otherwise eligible for Continuing Life Insurance after the earlier of age 65 or retirement will have a minimum amount of Continuing Life Insurance of \$4,500 if such Employee's death occurs on or after January 1, 1993. An Employee who last worked prior to October 1, 1990 but on or after November 1, 1987 and is otherwise eligible for Continuing Life Insurance after the earlier of age 65 or retirement will have a minimum amount of Continuing Life Insurance of \$3,500 if such Employee's death occurs on or after October 1, 1990. An Employee who last worked prior to November 1, 1987 and is otherwise eligible for Continuing Life Insurance after the earlier of age 65 or retirement will have a minimum amount of Continuing Life Insurance of \$3,000 if such Employee's death occurs on or after November 1, 1987.

Art. IV, 4.02(b)(3)(ii)

- (ii) No Employee contributions for Continuing Life Insurance are required after attainment of age 65.
- (iii) Each retired Employee eligible for Continuing Life Insurance will be notified of the ultimate amount of such Life Insurance. Notification will be provided following retirement or commencement of reductions, as well as when the ultimate amount of Continuing Life Insurance is reached.
- (iv) An Employee who discontinues active work, whose insurance has started to reduce and who is otherwise eligible for Continuing Life Insurance may elect to cancel the remaining Continuing Life Insurance and exercise the conversion privilege in accordance with Article VI, Section 6.06.

(c) Assignment

An Employee insured for Basic Life Insurance may transfer by absolute and irrevocable assignment, as a gift (a viatical assignment does not qualify as a gift), all the Employee's rights, title, interests and incidents of ownership, both present and future, under Basic Life Insurance. No assignment will be binding upon the insurance company unless it is in a form acceptable to the insurance company and until it has been accepted and filed with the insurance company. The insurance company assumes no obligation as to the validity or sufficiency of any assignment.

An assignment made pursuant to the above will not destroy the right to the death benefits of a beneficiary (or beneficiaries) last designated prior to such assignment if the assignee does not revoke the interest of such beneficiary (or beneficiaries) and if such beneficiary (or beneficiaries) survives the Employee.

Art. IV, 4.02(d)

(d) Restoration (Options! Program)

(1) Prior to Retirement

(i) Automatic

An Employee eligible to participate in the Options! Program who is eligible for and has elected Basic Life Insurance in the amount of one times Annual Base Salary and who subsequently becomes ineligible to participate in the Options! Program will have the full amount of Basic Life Insurance automatically restored to 2 times Annual Base Salary on the following dates:

(aa) the effective date of an approved non-disability leave,

(bb) the day immediately following the date the Employee has been on an approved disability leave of absence for six months, or

(ii) Elective

An Employee eligible to participate in the Options! Program who is eligible for and has elected Basic Life Insurance in the amount of one times Annual Base Salary may elect an amount of Basic Life Insurance equal to two times Annual Base Salary (the amount which otherwise would be provided under this Program). in accordance with the provisions of the Options! Program. Such an election may be made by the Employee:

(aa) during the annual Options! Program enrollment period,
or

(bb) during the Options! Program plan year provided the

Art. IV, 4.02(d)(1)(ii)

Employee notifies the Carrier within 31 days of a qualifying life event change.

(2) At Retirement

For an Employee whose service date is prior to January 1, 1993, the full amount of the Employee's Basic Life Insurance will be automatically restored on the effective date of the Employee's retirement subject to the reductions set forth in Section 4.02(b)(2) of this Article, as applicable. For an Employee whose service date is on or after January 1, 1993, the Employee's Basic Life Insurance will cease in accordance with Article V, Section 5.08(b).

4.03 – Work-Related Accidental Death Benefit

(a) Amount of Benefit

(1) Employee Whose Service Date is Prior to January 1, 2001

If an Employee, other than a Flexible Service Employee, while insured or prior to becoming insured for Basic Life Insurance, sustains bodily injuries, as a direct result of a covered accident, while on Corporation business which result in death within one year, a work-related accidental death benefit equal to 50% of Basic Life Insurance in force or that would have become in force, up to one times Annual Base Salary, will be paid.

(2) Employee Whose Service Date is On or After January 1, 2001

If an Employee, other than a Flexible Service Employee, while insured or prior to becoming insured for Basic Life Insurance, sustains bodily injuries, as a direct result of a covered accident, while on Corporation business which result in death within one year, a work-related accidental death benefit equal to the amount of Basic Life Insurance in force or that would have become in force will be paid.

Art. IV, 4.03(a)

Work-related accidental death benefits are paid provided the death is not contributed to or caused, wholly or partly, directly or indirectly by:

- (i) disease or bodily or mental infirmity, or by medical or surgical treatment or diagnosis thereof, or
- (ii) any infection, except infection caused by an external visible wound accidentally sustained, or
- (iii) hernia, no matter how or when sustained, or
- (iv) war or any act of war, or
- (v) intentional self-destruction or intentionally self-inflicted injury, while sane or insane.

(b) Notice and Proof of Claim

- (1) Written notice of work-related accidental death must be given to the Carrier within 20 days after the date of such death. Proof of such death must be furnished within 90 days after the date of such death.
- (2) The Carrier will have the right to have an autopsy made where it is not forbidden by law.
- (3) No legal action will be brought to recover under the Program prior to the expiration of 60 days after proof of claim has been filed, nor will such action be brought at all unless brought within three years from the expiration of the time within which proof of claim is required.

Art. IV, 4.04

4.04 – Payment of Basic Life Insurance Under the Accelerated Benefits Option

(a) Requirements

A terminally ill Employee or retiree who has a life expectancy not to exceed 12 months, supported by medical evidence satisfactory to the insurance company, may access a portion of Basic Life Insurance.

(b) Eligibility for Benefits

An Employee or retiree is eligible for payment of an accelerated benefit if, at the time the Employee, retiree or a legal representative applies for the payment, Basic Life Insurance is in effect and the Employee or retiree meets the requirements specified in (a) above.

(c) Amount Available for Accelerated Benefit Payment

The maximum amount of the accelerated benefit is 50% of the amount of the Basic Life Insurance in force as of the date the insurance company accepts that all requirements are met.

If Basic Life Insurance will be reduced within twelve months of the date the accelerated benefit is approved, such payment will be limited to 50% of the fully reduced amount of coverage.

In no event will an accelerated benefit be paid if such amount would be less than \$1,000.

Payment of an accelerated benefit will reduce the amount of Basic Life Insurance payable at death. The total of the accelerated benefit payment and the amount payable at death may never exceed the amount which would have been payable without the accelerated benefit provision.

Art. IV, 4.04(d)

(d) Exclusions

An accelerated benefit will not be payable if (1) all or a portion of an Employee's or retiree's Basic Life Insurance is to be paid to a former spouse and/or children of the Employee as part of a divorce agreement; (2) the Employee or retiree is making contributions for Basic Life Insurance; (3) all or a portion of an Employee's or retiree's Basic Life Insurance is assigned to another party; or (4) a totally and permanently disabled Employee or retiree is receiving a pay-out of their Basic Life Insurance benefits.

(e) Notice and Proof of Claim

The benefit will be payable only following receipt of a claim form and certification acceptable to the Carrier from a physician confirming that the Employee or retiree meets the requirements in subsection (a) above.

The Carrier will have the right and opportunity to have medical examinations of the Employee or retiree made by a physician or physicians designated by it. If such an examination is requested, the Carrier will pay the cost of the examination.

(f) Payment of Accelerated Benefit

- (1) Accelerated benefits are payable only if the Employee or retiree is living when payment is made. Accelerated benefits are payable in a lump-sum. No other payment options are available.
- (2) An Employee or retiree may receive an accelerated benefit payment only once, regardless of the amount elected.
- (3) No accelerated benefits will be subject in any manner to assignment, pledge, attachment or encumbrance of any kind, nor subject to the debts or liability of any Employee or retiree except as set forth in Article VI, Section 6.04 of the Program.

Art. IV, 4.05

4.05 – Payment of Basic Life Insurance and Work-Related Accidental Death Benefit

- (a) The amount of Basic Life Insurance, less any amount paid in accordance with Section 4.04 of this Article, is payable to the beneficiary of record of the Employee in the event of death from any cause while the Employee is insured under the Program for Basic Life Insurance. In the event of a work-related accidental death, the benefit is also payable to the beneficiary of record of the Employee if surviving the Employee, otherwise to the estate of the Employee. Such work-related accidental death benefit will, in the absence of an election by the beneficiary of any other method of settlement, be payable with, and on the same basis as, the Basic Life Insurance of the Employee.
- (b) At the written request of the beneficiary, the Basic Life Insurance and work-related accidental death benefit, if any, will be paid either in a lump sum or in installments. No installment settlement election will be valid if such settlement would result in installment payments of less than \$10.00 each.
- (c) If the insurance is payable in installments and the beneficiary dies before all installments have been paid, the unpaid installments will be commuted at the rate of interest used in computing the amount of installment payments and paid in one lump sum to the estate of the beneficiary unless otherwise provided in the election of an installment settlement.
- (d) The Employee's insurance certificate will set forth the administrative provisions regarding the recording of beneficiary designations, changes of beneficiary and the procedure for payment of insurance in case there is no beneficiary living at the death of the Employee.
- (e) All insurance is term insurance without cash, loan or paid-up values.

Art. IV, 4.06

4.06 – Amount of Disability Benefits

- (a) The amount of Sickness and Accident Benefits, Short-Term Disability Benefits, Extended Disability Benefits, and Long-Term Disability Benefits will be as set forth in the following schedules:

SCHEDULE OF BENEFITS (In States With No Disability Benefits Laws)	
SICKNESS AND ACCIDENT BENEFITS	
Applicable to	Benefit Amount
Classified Employee and Flexible Service Employee whose service date is prior to January 1, 2001	75% of Monthly Base Salary as defined in Article II, Section 2.07, but not less than \$370 per month for a full-time Employee ^{1,2}
Executive Employee	None
SHORT-TERM DISABILITY BENEFITS	
Applicable to	Benefit Amount
Classified Employee and Flexible Service Employee whose service date is on or after January 1, 2001	75% of Monthly Base Salary as defined in Article II, Section 2.07, but not less than \$370 per month for a full-time Employee ²
Executive Employee	None
¹ The amount of Sickness and Accident Benefits will be 60% of Monthly Base Salary for any period of disability occurring prior to the day the Employee attains one year Length of Service.	
² If such amount of Sickness and Accident or Short-Term Disability Benefits is not a multiple of \$1, such amount will be the next higher multiple of \$1.	

Art. IV, 4.06(a)

SCHEDULE OF BENEFITS (In States With No Disability Benefits Laws)	
EXTENDED DISABILITY BENEFITS	
Applicable to	Benefit Amount
Classified Employee, and Executive Employee whose service date is prior to January 1, 2001	60% of Monthly Base Salary as defined in Article II, Section 2.07, but not less than \$345 per month for a full-time Employee ¹
All Flexible Service Employees	None
LONG-TERM DISABILITY BENEFITS	
Applicable to	Benefit Amount
Classified Employee and Executive Employee whose service date is on or after January 1, 2001	60% of Monthly Base Salary as defined in Article II, Section 2.07, but not less than \$345 per month for a full-time Employee ¹
All Flexible Service Employees	None
¹ If such amount of Extended or Long-Term Disability Benefits is not a multiple of \$1, such amount will be the next higher multiple of \$1.	

- (b) The benefit amounts for a part-time Employee will be the amounts obtained by multiplying the ratio of the Employee's regularly scheduled hours in a week to the number of hours in the standard work week by the benefit amounts applicable to the Employee in accordance with the foregoing appropriate schedule.

Art. IV, 4.07

4.07 – Sickness and Accident Benefits (Applicable to Employees whose service date is prior to January 1, 2001)

(a) Eligibility for Benefits

If while covered for these benefits, an Employee becomes wholly and continuously disabled as a result of any injury or sickness so as to be prevented thereby from performing any and every duty of such Employee's occupation, and during the period of such disability is under treatment therefor by a physician legally licensed to practice medicine, the amount of monthly benefits for which the Employee is then covered will be paid to the Employee each month during the period the Employee is so disabled and under such treatment. Notwithstanding the above, Sickness and Accident Benefits will be payable to an Employee who becomes wholly and continuously disabled as a result of undergoing surgery for sterilization purposes, or becomes confined as a registered bed patient in a legally constituted hospital for the purpose of undergoing testing to determine such Employee's suitability to be a donor for an organ or tissue transplant and, in either case, is otherwise eligible for such benefits. In no case will such benefits be payable for the waiting period specified in subsection (b)(2) below.

The requirement that an Employee be under treatment by a physician legally licensed to practice medicine will be deemed to have been met if an Employee under treatment for alcohol or drug abuse in an inpatient, residential, day treatment or outpatient substance abuse treatment facility approved for benefits under the Delphi Health Care Program for Salaried Employees furnishes the Carrier with certification of disability, provided either by the facility's physician director or by a physician consultant selected by the facility, based on information furnished by, and upon the recommendation of, the therapist who is supervising the Employee's therapy. For such certification to be acceptable, the physician director or physician consultant providing it must be a licensed doctor of medicine or osteopathy.

Art. IV, 4.07(a)

Effective January 1, 2004, the requirement that an Employee be under treatment by a physician legally licensed to practice medicine will be deemed to have been met if an Employee is under treatment by a physician assistant, provided the treatment is within the scope of his or her license. Certification of disability must be provided by a legally licensed physician.

(b) Duration and Commencement of Benefits

- (1) Sickness and Accident Benefits will be payable during total disability for a period equal, on a time for time basis, to the period of time from the Employee's most recent date of hire through and including the first day of disability or, if longer, the period equal to an Employee's credit for Years of Participation on the first day of disability, but in no case for more than 12 months for any one continuous period of disability, whether from one or more causes, or for successive periods of disability due to the same or related cause or causes. However, if such Employee is confined as a registered bed patient in a legally constituted hospital or is receiving payments because of employment with the Corporation under any Workers Compensation Law or Act or any Occupational Disease Law or Act for the same disability at the date of expiration of the maximum period for which the Employee is entitled to receive Sickness and Accident Benefits, and such benefits were payable for less than 12 months, benefits will continue to be payable while the Employee continues to be so confined or while the Employee receives such payments, but in no case beyond the end of such 12-month period. Notwithstanding the fact that all the requirements of this subsection (b) and subsection (a) above have been met, in no case will Sickness and Accident Benefits be payable for the waiting period specified below.
- (2) The waiting period will be the first seven days of disability.

Art. IV, 4.07(c)

(c) Basis for Benefit Payments

Any Sickness and Accident Benefits due for the whole of a pay period will be the monthly benefit divided by the number of pay periods in the month. Any such benefits due for periods other than the whole of the Employee's normal pay period will be such a proportion of the monthly benefit as the number of working days the Employee is disabled in such pay period bears to the entire number of working days in that month. Working days, as used in the preceding sentence, will include only those in the base work week.

(d) Benefits for More Than One Absence

- (1) If an Employee returns to work after receiving Sickness and Accident Benefits for less than 12 months and is again absent within three months for the same reason or some disability related to it, there is no waiting period for the rest of the 12-month period, if the Employee is disabled that long.
- (2) If the second absence results from a different kind of sickness or injury, the first absence does not affect any possible future benefits. If there are three months or more between two periods of disability, and the Employee returned to work for at least one day in the intervening period, the second period of disability will not be considered as being due to the same or related cause or causes as the first disability.
- (3) In any event, if salary payments under the Corporation's salary continuation policy have been paid or are payable with respect to a prior period of disability due to the same or related cause or causes, but separated by less than three months from the second period of disability, the period for which such salary payments have been paid or are payable will be deemed to be a period for which Sickness and Accident monthly benefits were paid.

Art. IV, 4.07(e)

(e) Occupational Disabilities

- (1) Benefits payable for any period will be reduced by any payments for time lost from work in that period to which the Employee is entitled under any Workers Compensation Law or Act or any Occupational Disease Law or Act.
- (2) No deductions will be made for any payments under such laws specifically for (i) hospitalization, (ii) medical expense, (iii) specific allowances for loss, or 100% loss of use, of a body member, (iv) disfigurements, (v) any portion of an award for a permanent partial disability for a work-related disability to which an Employee is entitled while working full time, or (vi) benefits for total disability due to pneumoconiosis, as defined on September 21, 1973 under the Federal Black Lung Benefits Act of 1972.

(f) Unemployment Compensation

Benefits payable for any period will be reduced by any payments of unemployment benefits to which the Employee is entitled for that period under any Unemployment Compensation Law.

(g) Weekly Benefits

For purposes of benefit payment, or reductions set forth herein, a monthly benefit will be equal to 4.33 weekly benefits.

(h) Social Security

Sickness and Accident Benefits otherwise payable for any period of disability will be reduced by any Disability Insurance Benefits or Retirement Benefits (Primary Insurance Amount only) to which the Employee is entitled for the same period under the Federal Social Security Act or any future

Art. IV, 4.07(h)

legislation providing similar benefits, except Retirement Benefits reduced because of the age at which received. The procedures for the reduction of such benefits are set forth in Appendix A hereof.

Any Disability Insurance Benefits or Retirement Benefits which are awarded retroactively will be treated as having been received by the Employee during the entire time period for which such benefits were payable and any overpayments of Sickness and Accident Benefits will be calculated accordingly.

The Carrier will have the right to periodically request recipients of Sickness and Accident Benefits to complete an authorization form allowing the Social Security Administration to advise the Carrier of the status of a claim for Social Security benefits. Failure to complete and return such authorization within two weeks of the date of such request will result in the suspension of Sickness and Accident Benefit payments until receipt of the authorization.

(i) Salary Continuation and Separation Payments

Sickness and Accident benefits otherwise payable are to be reduced by any payments made under the Corporation's salary continuation policy or any other payments that may be made in connection with any Corporation separation plan.

(j) Non-Alienation

No Sickness and Accident monthly benefit payable will be subject in any manner to assignment, pledge, attachment or encumbrance of any kind, nor subject to the debts or liability of any Employee, except as set forth in Article VI, Section 6.04 of the Program.

Art. IV, 4.07(k)

(k) Notice and Proof of Claim

- (1) Written notice of injury or sickness must be given to the Carrier within 20 days after the date of an accident causing such injury or the commencement of disability resulting from such sickness. Proof of such injury or sickness must be furnished to the Carrier within 90 days after the termination of the period for which monthly benefits are payable under the Program.

The Carrier, upon receipt of the required notice, will furnish such forms as are usually furnished by it for filing proofs of claim. If such forms are not received by the claimant within 15 days after the Carrier receives such notice, the claimant will be deemed to have complied with the requirements as to proof of claim upon submitting, within the time specified in the preceding paragraph for filing proofs of claim, written proof covering the occurrence, character and extent of the disability for which claim is made.

Failure to furnish notice or proof within the time provided above will not invalidate or reduce any claim if it was not reasonably possible to furnish such notice or proof and such notice or proof was furnished as soon as was reasonably possible.

- (2) The Carrier, at its own expense, will have the right to have such medical examinations of an Employee who is eligible to receive Sickness and Accident Benefits as it may reasonably require, made by a physician or physicians designated by such Carrier. Failure to report for such examination may result in denial of such Benefits.

An Employee whose residence is more than 40 miles one way from the office where any such examination is to be made will be reimbursed, upon request, at a rate of 36 cents per mile for miles

Art. IV, 4.07(k)(2)

actually driven from such residence to such office and back, using the most direct route available.

- (3) No legal action will be brought by any Employee to recover from the Carrier prior to the expiration of 60 days after proof of claim has been filed in accordance with the requirements of the Program, nor will such action be brought at all unless brought within three years from the expiration of the time within which proof of claim is required under the Program.

(l) Payment of Claim

- (1) Subject to due proof of claim, the monthly benefits will be paid to the Employee each month during any period of disability for which such benefits are payable and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of proof.
- (2) If disability is due to or accompanied by mental incapacity, all or any part of such monthly benefits may, at the option of the Carrier, be paid to the beneficiary of record of the Employee's Basic Life Insurance or to any other person or institution then, in the judgment of the Carrier, contributing toward or providing for the care or maintenance of the Employee.

(m) Waiver

To receive retirement benefits under the provisions of the Delphi Retirement Program for Salaried Employees an Employee may waive irrevocably any right such Employee may have to receive Sickness and Accident Benefits with respect to any period of disability by completing a waiver form furnished by the Corporation for that purpose. No Sickness and Accident Benefits will be payable for any period of disability covered by such waiver.

Art. IV, 4.08

4.08 – Short-Term Disability Benefits (Applicable to Employees whose service date is on or after January 1, 2001)

The provisions set forth in subsection 4.07 above will apply to this subsection 4.08 with the following exceptions:

- (a) Substitution of "Short-Term Disability Benefits" for "Sickness and Accident Benefits"

Short-Term Disability Benefits will be substituted for Sickness and Accident Benefits wherever it appears in Section 4.07 for the purposes of applying the provisions therein to this Section.

- (b) Duration and Commencement of Benefits

Subsection 4.07(b)(1) will be replaced with the following:

Short-Term Disability Benefits will be payable during total disability but in no case more than 6 months for any one continuous period of disability, whether from one or more causes, or for successive periods of disability due to the same or related cause or causes. Notwithstanding the fact that all the requirements of this subsection (b) and subsection (a) above have been met, in no case will Short-Term Disability Benefits be payable for the waiting period specified below or following the Employee's termination of employment because of a quit or discharge.

- (c) Benefits for More Than One Absence

Subsection 4.07(d)(1) will be replaced with the following:

If an Employee returns to work after receiving Short-Term Disability Benefits for less than 6 months and is again absent within three months for the same reason or some disability related to it, there is no waiting period for the rest of the 6-month period, if the Employee is disabled that long.

Art. IV, 4.09

4.09 – Extended Disability Benefits (Applicable to Employees whose service date is prior to January 1, 2001)

(a) Eligibility

Extended Disability Benefits coverage will be provided while an Employee is covered for Sickness and Accident Benefits coverage. If while receiving Sickness and Accident Benefits an employee loses coverage for such benefits, due to termination of employment, (other than retirement) Extended Disability Benefits coverage will cease and benefits will not be payable.

An Employee with Extended Disability Benefits coverage who, at the date of expiration of the maximum period for which such Employee is entitled to receive (1) Sickness and Accident Benefits or (2) Salary Continuation payments, and during a continuous period of disability thereafter, is totally disabled will receive monthly Extended Disability Benefits for the period described in subsection (c) below.

For an Employee to be deemed totally disabled, such Employee must not be engaged in regular employment or occupation for remuneration or profit and, must be found to be wholly prevented from engaging in regular employment or occupation with the Corporation at the location where the Employee last worked for remuneration or profit as a result of bodily injury or disease, either occupational or non-occupational in cause.

No Extended Disability Benefit payable will be subject in any manner to assignment, pledge, attachment or encumbrance of any kind, nor subject to the debts or liability of any Employee except as set forth in Article VI, Section 6.04 of the Program.

Art. IV, 4.09(b)

(b) Amount of Benefit

- (1) The monthly Extended Disability Benefit is the applicable amount shown in the Schedule of Benefits in Section 4.06 of this Article reduced by an amount equal to the monthly equivalent of the total of the following benefits for which the person receiving Extended Disability Benefits is eligible:
 - (i) Part A benefits and Part B supplementary benefits under the Delphi Retirement Program for Salaried Employees or any benefits under any other pension plan or retirement program then in effect to which the Corporation or any of its subsidiaries has contributed;
 - (ii) Lost time benefits under any Workers Compensation Law or other law or act providing benefits for occupational injury or disease, including lump-sum settlements, but excluding specific allowances for loss, or 100% loss of use, of a body member or permanent partial disability payments for a work-related disability unrelated to the disability for which benefits under this Program are payable, and excluding benefits for total disability due to pneumoconiosis, as defined on September 21, 1973, under the Federal Black Lung Benefits Act of 1972;
 - (iii) Disability or Retirement Benefits (Primary Insurance Amount only) to which the Employee is entitled under the Federal Social Security Act or any future legislation providing similar benefits, except Retirement Benefits reduced because of the age at which received;
 - (iv) Benefits under any state or Federal law providing benefits for working time lost because of disability; and

Art. IV, 4.09(b)(1)(v)

- (v) Any payments made under the Corporation's salary continuation policy or any other payments that may be made in connection with any Corporation separation plan.
- (2) In determining the amount by which Extended Disability Benefits are reduced:
 - (i) The monthly equivalent of benefits paid on a weekly basis is computed by multiplying the weekly benefit rate by 4.33;
 - (ii) Lump-sum settlements under state Workers Compensation Laws result in reductions equal to the monthly equivalent of the amount of the Workers Compensation benefit to which the Employee would have been entitled under the applicable law had there been no lump-sum payment, but not to exceed in total the amount of the settlement. The amount of such settlement will be allocated to days of disability for which compensation has not previously been paid, in chronological order until such amount has been fully allocated, at the rate of one-seventh of the weekly Workers Compensation benefit which would have been applicable under the state law if the claim had been allowed and if there had been no lump-sum settlement; and
 - (iii) The amount of monthly Extended Disability Benefit will not be reduced by any increase in an Employee's benefit under subsection (b)(1) above that is effective subsequent to the first day for which an Employee's Extended Disability Benefit is reduced because of receipt of such benefit. However, the amount of Extended Disability Benefit will be reduced by any such increase which represents an adjustment in the original determination of the amount of the Employee's benefit under subsection (b)(1).

Art. IV, 4.09(b)(3)

- (3) Extended Disability Benefit computations presume eligibility for Social Security Disability Insurance Benefits and for disability benefits under any pension plan or retirement program then in effect to which the Corporation has contributed, but excluding any Part B primary benefits under the Delphi Retirement Program for Salaried Employees. However, such presumption of pension plan and retirement program benefits will not be made with respect to any Extended Disability Benefit payments due for the 12-month period immediately following the date of expiration of the maximum number of months for which the Employee is entitled to receive Sickness and Accident Benefits or the date of expiration of salary continuation payments under the Corporation's salary continuation policy, whichever is later. Amounts deducted from Extended Disability Benefits on this basis are paid upon presentation of satisfactory evidence that these benefits were applied for and denied; provided, however, that a reduction in Extended Disability Benefits is made in an amount equal to Social Security Disability Insurance Benefits that would have been payable except for refusal to accept vocational rehabilitation services.

The procedures for the reduction of Extended Disability Benefits by certain Social Security Benefits are set forth in Appendix A hereof.

- (4) Benefits payable for less than a full calendar month are prorated on the basis of the ratio of calendar days of eligibility to total calendar days in the month.
- (5) The Carrier may require each applicant or recipient of Extended Disability Benefits to certify or furnish verification of the amounts of such applicant's or recipient's income from sources listed in subsection (b)(1) above. Further, the Carrier will have the right to periodically request recipients of Extended Disability Benefits to complete an authorization form allowing the Social Security Administration to advise the Carrier of the status of a claim for Social

Art. IV, 4.09(b)(5)

Security benefits. Failure to complete and return such authorization within two weeks of the date of such request will result in the suspension of Extended Disability Benefit payments until receipt of the authorization.

- (6) Any benefits described in subsection (b)(1) above which are awarded retroactively will be treated as having been received by the Employee during the entire time period for which such benefits were payable and any overpayments of Extended Disability Benefits will be calculated accordingly.

(c) Commencement and Duration of Benefits

- (1) Extended Disability Benefits to an eligible Employee will be for the period commencing the day following the last day of disability included within the period for the maximum number of monthly Sickness and Accident Benefits, including months in which such Sickness and Accident Benefits were partially or wholly offset because of receipt of Workers Compensation benefits or expiration of salary continuation payments, whichever is later.
- (2) The maximum period during which Extended Disability Benefits may be payable will be:
 - (i) in the case of an Employee who has ten or more Years of Participation as of the day on which disability commenced, the number of months commencing with the month in which the date of the expiration of the maximum number of monthly Sickness and Accident Benefits or salary continuation payments, as applicable, occurs and terminating with the end of the month in which the Employee attains age 65; and

Art. IV, 4.09(c)(2)(ii)

- (ii) in the case of an Employee who has less than ten Years of Participation as of the day on which disability commenced, the number of months by which the Employee's Years of Participation at commencement of disability exceed the maximum number of months for which the Employee is entitled to receive Sickness and Accident Benefits or salary continuation payments, as applicable.

In any event, Extended Disability Benefits will not be payable beyond the date of the Employee's death, the end of the month in which the Employee attains age 65, or the date the Employee no longer satisfies the disability requirement, except that if the Employee becomes disabled at or after age 63 and subsequently becomes eligible for Extended Disability Benefits, such benefits will be payable in accordance with the following schedule:

AGE AT COMMENCEMENT OF DISABILITY		MAXIMUM DURATION OF EXTENDED DISABILITY BENEFITS
EMPLOYEE IS	BUT LESS THAN	
63 and 0 months	68 and 1 month	12 months
68 and 1 month	68 and 2 months	11 months
68 and 2 months	68 and 3 months	10 months
68 and 3 months	68 and 4 months	9 months
68 and 4 months	68 and 5 months	8 months
68 and 5 months	68 and 6 months	7 months
68 and 6 months and older		6 months

An Employee who has less than ten Years of Participation as of the day on which disability commenced and who is both eligible for and enrolled in the Supplemental Extended Disability Benefits coverage offered in conjunction with the Options! Program, will, for the purpose of determining the maximum duration of such Supplemental Extended Disability Benefits following Extended Disability Benefits, be deemed to have ten Years of Participation at the commencement of disability.

Art. IV, 4.09(c)(2)

If an Employee's return to work with the Corporation does not qualify the Employee for a new period of Sickness and Accident Benefits or if the Employee engages in some gainful occupation or employment other than one for which the Employee is reasonably qualified by education, training or experience, the Employee's satisfying of the disability requirement will not be deemed to end, but the Employee's Extended Disability Benefits will be suspended for the period of the return to work or the period the Employee engages in such occupation or employment.

- (3) If monthly Extended Disability Benefits payable to an Employee are discontinued because the Employee no longer satisfies the disability requirement, and within two weeks of the effective date of such discontinuance and before the Employee returns to work with the Corporation, the Employee again becomes disabled so as to satisfy the disability requirement, monthly Extended Disability Benefits will be resumed.
- (4) For purposes of applying the maximum period for monthly Extended Disability Benefits, a month in which such benefits are partially or wholly offset by benefit payments from sources listed in subsection (b)(1), suspended under subsection (c)(2), or not paid between periods of disability under circumstances described under subsection (c)(3), is counted as a full month. Fractions of the first and last month are counted as fractions of a month.
- (5) The cumulative total number of months during any previous periods of eligibility for Extended Disability Benefits, regardless of whether for the same or related disabling condition, reduces the maximum number of monthly benefit payments for which the individual is otherwise eligible under subsection (c)(2)(ii) when Extended Disability Benefits again commence.

Art. IV, 4.09(c)(6)

(6) If disability is due to or accompanied by mental incapacity, all or any part of such monthly Extended Disability Benefits may, at the option of the Carrier, be paid to the beneficiary of record of the Employee's Basic Life Insurance or to any other person or institution then in the judgment of the Carrier contributing toward or providing for the care or maintenance of the Employee.

(d) Rehabilitation

There is no ineligibility for Extended Disability Benefits because of work which is determined to be primarily for training under a recognized program of vocational rehabilitation.

(e) Proof of Disability

The Carrier, at its own expense, may require an Employee, as a condition of eligibility, to submit to examinations by a physician designated by such Carrier for the purpose of determining such applicant's initial or continuing disability. An Employee whose residence is more than 40 miles one way from the office where any such examination is to be made will be reimbursed, upon request, at the rate of 36 cents per mile for miles actually driven from such residence to such office and back, using the most direct route available.

(f) Employees Not Covered (Flexible Service)

Extended Disability Benefits will not be provided for a Flexible Service Employee.

(g) Supplemental Extended Disability Benefits

An Employee who has at least 13 months but less than ten Years of Participation as of the day on which disability commenced and who is both eligible for and enrolled in Supplemental Extended Disability Benefits

Art. IV, 4.09(g)

coverage offered in conjunction with the Options! Program is eligible for Supplemental Extended Disability Benefit payments provided:

- the Employee was eligible for Extended Disability Benefits and such benefits have been exhausted;
- disability first begins after the Employee becomes covered for Supplemental Extended Disability Benefits under the Options! Program; and
- the Employee makes at least one pre-tax contribution for Supplemental Extended Disability Benefits under the Options! Program during the plan year in which disability first begins.

(1) Amount of Benefit

The provisions of Section 4.09 of this Article IV, applicable to Extended Disability Benefits apply equally to Supplemental Extended Disability Benefits except the monthly amount is determined using the Employee's Annual Base Salary as of September 1 of the year prior to the Employee's first day of disability. This amount is reduced by an amount equal to the monthly equivalent of the total of the benefits described in Section 4.09(b) of this Article IV. Supplemental Extended Disability Benefits will not be reduced by any increase in the benefits described in Section 4.09(b) of this Article IV, except in the case of an original determination or an adjustment in an original determination as provided for under Section 4.09(b) of this Article IV.

(2) Commencement and Duration of Benefits

Supplemental Extended Disability Benefits are payable commencing with the day following the day Extended Disability Benefits cease. For purposes of determining the maximum duration of such benefits,

Art. IV, 4.09(g)(2)

an Employee will be deemed to have ten Years of Participation at the commencement of disability. Benefits will be paid in accordance with subsection (c) above.

4.10 – Long-Term Disability Benefits (Applicable to Employees whose service date is on or after January 1, 2001)

(a) Eligibility

- (1) Long-Term Disability Benefit coverage is an optional benefit that is fully Employee paid. Enrollment is automatic unless the Employee elects to waive coverage during the Options! Program annual enrollment. If an Employee waives coverage and later wishes to enroll during the Options! Program annual enrollment, proof of good health will always be required, as set forth in subsection (b) below.
- (2) If while receiving Short-Term Disability Benefits, an Employee loses coverage for such benefits, due to termination of employment, (other than retirement), Long-Term Disability Benefits will cease and benefits will not be payable.
- (3) An Employee with Long-Term Disability Benefits coverage who, at the date of expiration of the maximum period for which such Employee is entitled to receive Short-Term Disability Benefits or salary continuation payments, and during a continuous period of disability thereafter, is totally disabled will receive monthly Long-Term Disability Benefits for the period described in subsection (d) below.
- (4) For an Employee to be deemed totally disabled, such Employee must not be engaged in regular employment or occupation for remuneration or profit and, must be found to be wholly prevented from engaging in regular employment or occupation with the

Art. IV, 4.10(a)(4)

Corporation at the location where the Employee last worked for remuneration or profit as a result of bodily injury or disease, either occupational or non-occupational in cause.

- (5) No Long-Term Disability Benefit payable will be subject in any manner to assignment, pledge, attachment or encumbrance of any kind, nor subject to the debts of liability of any Employee except as set forth in Article VI, Section 6.04 of the Program.

(b) Effective Date and Proof of Good Health for Late Enrollments

If an Employee waives Long-Term Disability Benefit coverage and later decides to enroll for such coverage during the Options! Program annual enrollment, the Employee must furnish proof satisfactory to the Carrier of the Employee's good health. Coverage will become effective on January 1 of the next plan year or the first day of the calendar month next following the date the Carrier approves such proof, if later.

For coverage to become effective, an Employee must be Actively at Work on the date the coverage would become effective. If the Employee is not Actively at Work on such date, the coverage becomes effective on the date the Employee returns to active work, provided the Employee then is still eligible.

(c) Amount of Benefit

- (1) The monthly Long-Term Disability Benefit is the applicable amount shown in the Schedule of Benefits in Section 4.06 of this Article reduced by an amount equal to the monthly equivalent of the total of the following benefits for which the person receiving Long-Term Disability Benefits is eligible:

- (i) Part A benefits and Part B supplementary benefits under the Delphi Retirement Program for Salaried Employees which the

Art. IV, 4.10(c)(1)(i)

Employee qualified for prior to January 1, 2001, or any benefits under any other pension plan or retirement program then in effect to which the Corporation or any of its subsidiaries has contributed other than Part C of the Delphi Retirement Program for Salaried Employees;

- (ii) Lost time benefits under any Workers Compensation Law or other law or act providing benefits for occupational injury or disease, including lump-sum settlements, but excluding specific allowances for loss, or 100% loss of use, of a body member or permanent partial disability payments for a work-related disability unrelated to the disability for which benefits under this Program are payable, and excluding benefits for total disability due to pneumoconiosis, as defined on September 21, 1973, under the Federal Black Lung Benefits Act of 1972;
 - (iii) Disability or Retirement Benefits (Primary Insurance Amount only) to which the Employee is entitled under the Federal Social Security Act or any future legislation providing similar benefits, except Retirement Benefits reduced because of the age at which received;
 - (iv) Benefits under any state or Federal law providing benefits for working time lost because of disability; and
 - (v) Payments under the Separation Allowance Plan
- (2) In determining the amount by which Long-Term Disability Benefits are reduced:
- (i) The monthly equivalent of benefits paid on a weekly basis is computed by multiplying the weekly benefit rate by 4.33;

Art. IV, 4.10(c)(2)(ii)

- (ii) Lump-sum settlements under state Workers Compensation Laws result in reductions equal to the monthly equivalent of the amount of the Workers Compensation benefit to which the Employee would have been entitled under the applicable law had there been no lump-sum payment, but not to exceed in total the amount of the settlement. The amount of such settlement will be allocated to days of disability for which compensation has not previously been paid, in chronological order until such amount has been fully allocated, at the rate of one-seventh of the weekly Workers Compensation benefit which would have been applicable under the state law if the claim had been allowed and if there had been no lump-sum settlement; and
 - (iii) The amount of monthly Long-Term Disability Benefit will not be reduced by any increase in an Employee's benefit under subsection (c)(1) above that is effective subsequent to the first day for which an Employee's Long-Term Disability Benefit is reduced because of receipt of such benefit. However, the amount of Long-Term Disability Benefit will be reduced by any such increase which represents an adjustment in the original determination of the amount of the Employee's benefit under subsection (c)(1).
- (3) Long-Term Disability Benefit computations presume eligibility for Social Security Disability Insurance Benefits. Amounts deducted from Long-Term Disability Benefits on this basis are paid upon presentation of satisfactory evidence that these benefits were applied for and denied; provided, however, that a reduction in Long-Term Disability Benefits is made in an amount equal to Social Security Disability Insurance Benefits that would have been payable except for refusal to accept vocational rehabilitation services.

Art. IV, 4.10(c)(3)

The procedures for the reduction of Long-Term Disability Benefits by certain Social Security Benefits are set forth in Appendix A hereof.

- (4) Benefits payable for less than a full calendar month are prorated on the basis of the ratio of calendar days of eligibility to total calendar days in the month.
- (5) The Carrier may require each applicant or recipient of Long-Term Disability Benefits to certify or furnish verification of the amounts of such applicant's or recipient's income from sources listed in subsection (c)(1) above. Further, the Carrier will have the right to periodically request recipients of Long-Term Disability Benefits to complete an authorization form allowing the Social Security Administration to advise the Carrier of the status of a claim for Social Security benefits. Failure to complete and return such authorization within two weeks of the date of such request, will result in the suspension of Long-Term Disability Benefit payments until receipt of the authorization.
- (6) Any benefits described in subsection (c)(1) above which are awarded retroactively will be treated as having been received by the Employee during the entire time period for which such benefits were payable and any overpayments of Long-Term Disability Benefits will be calculated accordingly.

(d) Commencement and Duration of Benefits

- (1) Long-Term Disability Benefits to an eligible Employee will be for the period commencing the day following the last day of disability included within the period for the maximum number of monthly Short-Term Disability Benefits, including months in which such Short-Term Disability Benefits were partially or wholly offset because of receipt of Workers Compensation benefits or expiration of salary continuation payments, whichever is later.

Art. IV, 4.10(d)(2)

- (2) The maximum period during which Long-Term Disability Benefits may be payable are until the Employee is no longer disabled but not beyond age 65. If the Employee becomes disabled at age 63, the Employee may receive Long-Term Disability Benefits for a period of time beyond age 65.

In any event, Long-Term Disability Benefits will not be payable beyond the date of the Employee's death, the end of the month in which the Employee attains age 65, the date the Employee quits or is discharged, or the date the Employee no longer satisfies the disability requirement, except that if the Employee becomes disabled at or after age 63 and subsequently becomes eligible for Long-Term Disability Benefits, such benefits will be payable in accordance with the following schedule:

AGE AT COMMENCEMENT OF DISABILITY		MAXIMUM DURATION OF LONG-TERM DISABILITY BENEFITS
EMPLOYEE IS	BUT LESS THAN	
63 and 0 months	68 and 1 month	12 months
68 and 1 month	68 and 2 months	11 months
68 and 2 months	68 and 3 months	10 months
68 and 3 months	68 and 4 months	9 months
68 and 4 months	68 and 5 months	8 months
68 and 5 months	68 and 6 months	7 months
68 and 6 months and older		6 months

If an Employee's return to work with the Corporation does not qualify the Employee for a new period of Short-Term Disability Benefits or if the Employee engages in some gainful occupation or employment other than one for which the Employee is reasonably qualified by education, training or experience, the Employee's satisfying of the disability requirement will not be deemed to end, but the Employee's Long-Term Disability Benefits will be suspended for the period of the return to work or the period the Employee engages in such occupation or employment.

Art. IV, 4.10(d)(3)

- (3) If monthly Long-Term Disability Benefits payable to an Employee are discontinued because the Employee no longer satisfies the disability requirement, and within two weeks of the effective date of such discontinuance and before the Employee returns to work with the Corporation, the Employee again becomes disabled so as to satisfy the disability requirement, monthly Long-Term Disability Benefits will be resumed.
- (4) If disability is due to or accompanied by mental incapacity, all or any part of such monthly Long-Term Disability Benefits may, at the option of the Carrier, be paid to the beneficiary of record of the Employee's Basic Life Insurance or to any other person or institution then in the judgment of the Carrier contributing toward or providing for the care or maintenance of the Employee.

(e) Rehabilitation

There is no ineligibility for Long-Term Disability Benefits because of work which is determined to be primarily for training under a recognized program of vocational rehabilitation.

(f) Proof of Disability

The Carrier, at its own expense, may require an Employee, as a condition of eligibility, to submit to examinations by a physician designated by such Carrier for the purpose of determining such applicant's initial or continuing disability. An Employee whose residence is more than 40 miles one way from the office where any such examination is to be made will be reimbursed, upon request, at the rate of 36 cents per mile for miles actually driven from such residence to such office and back, using the most direct route available.

Art. IV, 4.10(g)

(g) Employees Not Covered (Flexible Service)

Long-Term Disability Benefits will not be provided for a Flexible Service Employee.

4.11 – Optional Life Insurance

(a) Eligibility

An Employee as defined in Article II, Section 2.05 who is insured for Basic Life Insurance described in Section 4.02 of this Article, except an Employee who is eligible for, and has elected an amount of Basic Life Insurance equal to one times Annual Base Salary in accordance with the Options! Program, will become eligible for Optional Life Insurance as follows:

- (1) An Employee whose service date is prior to January 1, 2001, will become eligible for Optional Life Insurance on such date or the first day of the third month next following the month in which employment with the Corporation commences, if later.
- (2) An Employee whose service date is on or after January 1, 2001, will become eligible for Optional Life Insurance on the first day of the second month next following the month in which employment with the Corporation commences.

Effective October 15, 2005, an executive Employee whose Supplemental Life Benefits has ceased, or will cease, due to retirement, will have a one-time opportunity to enroll in or increase Optional Life Insurance as indicated in subsection (c) below.

The date the Employee becomes eligible for Optional Life Insurance will be referred to hereinafter as the Employee's eligibility date.

Art. IV, 4.11(b)

(b) Enrollment and Effective Dates

(1) Employee Whose Service Date is Prior to January 1, 2001

An eligible Employee may enroll for Optional Life Insurance when first eligible, during the annual enrollment period, or due to a qualifying life event change.

(i) If the Employee's enrollment form is received by the Carrier on or before the Employee's eligibility date, insurance becomes effective on the eligibility date.

(ii) If the Employee's enrollment form is received by the Carrier during the 31-day period following the Employee's eligibility date, or in the case of an Employee who was on a leave of absence on such eligibility date and subsequently returns to work, during the 31-day period following the date of return to work, the insurance becomes effective on the first day of the calendar month next following the date the Employee's enrollment form is received, provided the Employee is then Actively at Work.

(2) Employee Whose Service Date is On or After January 1, 2001

An eligible Employee may enroll for Optional Life Insurance when first eligible, during the annual enrollment period, or due to a qualifying life event change.

The Employee's Optional Life Insurance in amounts of \$600,000 or less will become effective as set forth in subsection (b)(1)(i) and (b)(1)(ii), above.

Effective January 1, 2005, if an Employee elects an amount of Optional Life Insurance that exceeds \$600,000 the Employee must furnish proof satisfactory to the Carrier of the Employee's good health.

Art. IV, 4.11(b)(2)

Insurance amounts in excess of \$600,000 will become effective the first day of the calendar month next following the date the Carrier approves such proof.

If the Employee's enrollment form is received by the Carrier after the periods set forth above, the Employee may enroll or increase coverage during the annual enrollment period or if the Employee has a qualifying life event. The Employee must furnish proof satisfactory to the Carrier (i) of the Employee's good health, or (ii) that the Employee has had an increase in family status. The Employee's election form must be received during the annual enrollment period or within the 31-day period provided for a qualifying life event.

- (i) If the Employee is enrolling during the annual enrollment period, insurance will become effective on the later of January 1 following the annual enrollment or the first day of the calendar month next following the date the Carrier approves such proof, provided that in the case of (ii) above, the increase in family status still is in existence.
- (ii) If the Employee is enrolling due to a qualifying life event, insurance will become effective on the first day of the calendar month next following the date the Carrier approves such proof, provided that in the case of (ii) above, the increase in family status still is in existence.

In any event, for an Employee to become insured initially or for a higher amount of insurance, such Employee must be Actively at Work on the date the insurance or higher amount of insurance otherwise would become effective. If the Employee is not Actively at Work on such date, the Insurance or higher amount of insurance becomes effective on the date the Employee returns to active work, provided the Employee then is still eligible as set forth in subsection (a) above.

If the Employee becomes insured for Optional Life Insurance and enrolls for a lower amount of insurance during the annual enrollment period or due to a qualifying life event, the Employee will become insured for such lower amount of insurance

Art. IV, 4.11(b)

on January 1 following the annual enrollment or on the first day of the calendar month next following the month in which the Employee's enrollment form is received within the 31-day period provided for a qualifying life event. Such lower amount of insurance will become effective whether or not the Employee is Actively at Work.

(c) Enrollment and Effective Dates for Retired Executive Employees On or After October 15, 2005

(1) Executive Employees Who Retired Prior to October 15, 2005

(i) An executive Employee who retired prior to October 15, 2005, and who was not enrolled in Optional Life Insurance prior to retirement, will be given a one-time opportunity, as determined by the Corporation, to elect an amount of Optional Life Insurance as indicated in subsection (d) below. The Employee's election form must be received within the 31-day period provided for this one-time enrollment, and the Employee must furnish proof satisfactory to the Carrier of the Employee's good health. Insurance will become effective on the first day of the calendar month next following the date the Carrier approves such proof.

(ii) An executive Employee who retired prior to October 15, 2005, and who was already enrolled in Optional Life Insurance, will be given a one-time opportunity, as determined by the Corporation, to increase coverage up to an amount of coverage as indicated in subsection (d) below. The Employee's election form must be received within the 31-day period provided for this one-time enrollment, and the Employee must furnish proof satisfactory to the Carrier of the Employee's good health. Any increase in coverage will become effective on the first day of the calendar month next following the date the Carrier approves such proof.

Art. IV, 4.11(c)(2)

(2) Executive Employees Who Retire On and After October 15, 2005

- (i) An executive Employee who retires on or after October 15, 2005, and who is not enrolled in Optional Life Insurance on the date of retirement, will be given a one-time opportunity to elect an amount of Optional Life Insurance as indicated in subsection (d) below. The Employee's election form must be received within the 31-day period provided for this one-time enrollment, and the Employee must furnish proof satisfactory to the Carrier of the Employee's good health. Insurance will become effective on the first day of the calendar month next following the date the Carrier approves such proof.
- (ii) An executive Employee who retires on or after October 15, 2005, and who is already enrolled in Optional Life Insurance on the date of retirement, will be given a one-time opportunity to increase coverage up to an amount of coverage as indicated in subsection (d) below. The Employee's election form must be received within the 31-day period provided for this one-time enrollment, and the Employee must furnish proof satisfactory to the Carrier of the Employee's good health. Any increase in coverage will become effective on the first day of the calendar month next following the date the Carrier approves such proof.

No Employee will be eligible to elect or increase coverage after the time periods specified above. However, if the Employee becomes insured for Optional Life Insurance and wishes to enroll for a lower amount of insurance, the Employee may do so on an enrollment form provided by the Carrier. The Employee will become insured for such lower amount of insurance on the first day of the calendar month next following the month in which the Employee's enrollment form is received.

Art. IV, 4.11(d)

(d) Amount of Insurance

(1) Schedules of Insurance

An Employee may elect an amount of Optional Life Insurance as set forth in the following schedules:

Note: Prior to January 1, 2006, an Employee who resides in Texas could not elect an amount of Optional Life Insurance which, when combined with Basic Life Insurance, exceeded seven (7) times their Annual Base Salary. This limitation was repealed effective January 1, 2006

OPTIONAL LIFE INSURANCE	
Applicable to	Benefit Amount
Employee whose service date is prior to January 1, 2001	1x, 2x, 3x, 4x, 5x, 6x ⁽¹⁾ , 7x ⁽¹⁾ or 8x ⁽¹⁾ Employee's Annual Base Salary <i>(If the amount selected is not a multiple of \$100, the amount of coverage will be the next higher multiple of \$100.)</i>
Employee whose service date is on or after January 1, 2001	\$100,000, \$200,000, \$300,000, \$400,000, \$500,000 \$600,000, \$700,000 ⁽²⁾ , \$800,000 ⁽²⁾ , \$900,000 ⁽²⁾ or \$1,000,000 ⁽²⁾
<i>(1) Amounts effective as of January 1, 2006.</i>	
<i>(2) Amounts effective as of January 1, 2005. As of January 1, 2006, elections in excess of \$600,000 cannot exceed 10 times Annual Base Salary.</i>	

Art. IV, 4.11(d)(1)

<u>ADDITIONAL OPTIONAL LIFE INSURANCE AVAILABLE TO RETIRED EXECUTIVES EFFECTIVE OCTOBER 15, 2005</u>	
<u>Applicable to</u>	<u>Benefit Amount ⁽³⁾</u>
<u>Employee placed in an executive position prior to January 1, 1989</u>	<u>1x, 2x, or 3x Employee's Annual Base Salary⁽⁴⁾ as of retirement date</u>
<u>Employee placed in an executive position on or after January 1, 1989</u>	<u>1x Employee's Annual Base Salary⁽⁴⁾ as of retirement date</u>
<i><u>(3) The amount elected by an uninsured retired executive Employee cannot exceed the available options, nor can the increased amount elected by a retired executive Employee who is already insured exceed the plan maximum in effect as of the date of retirement.</u></i>	
<i><u>(4) If the amount selected is not a multiple of \$100, the amount of Optional Life Insurance will be the next higher multiple of \$100.</u></i>	

(2) Amounts of Optional Life Insurance

(i) Prior to Retirement

The amount of the Employee's Optional Life Insurance prior to retirement will be the amount elected by the Employee in accordance with item (1) above.

For Employees who are not eligible to participate in the Options! Program, and whose election is based on Annual Base Salary, any increase in the amount of the Employee's insurance because of an increase in the Employee's Annual Base Salary will become effective on the date of such salary increase and any decrease in the amount of insurance because of a reduction in the Employee's Annual Base Salary will become effective on the first day of the calendar month next following the date of such salary reduction provided, in any case, the Employee is Actively at Work on the date of such salary increase or, in the case of salary reduction, on such first day of the month. If the Employee is not Actively at Work on

Art. IV, 4.11(d)(2)(i)

the date an increase or decrease in the amount of insurance would otherwise become effective, such increase or decrease will become effective on the date the Employee returns to active work.

For Employees who are eligible to participate in the Options! Program, an increase or decrease in the amount of insurance because of an increase or decrease in the Employee's Annual Base Salary will become effective on January 1 of the following Options! Program plan year provided the Employee is Actively at Work. If the Employee is not Actively at Work on the date an increase or decrease in the amount of insurance would otherwise become effective, such increase or decrease will become effective on the date the Employee returns to active work.

(ii) After Retirement

If the Employee retires prior to age 66, the amount of insurance in force on account of the Employee as of the last day of the calendar month during which the Employee attained age 66 will be reduced on the first day of the calendar month following the calendar month in which the Employee attains age 66, and on each following anniversary of such date, by 10% of the amount of Optional Life Insurance in force on the Employee's 66th birthday, until the insurance ceases following the Employee's 75th birthday.

If the Employee retires after age 66, the Optional Life Insurance in force on account of the Employee, as of the day immediately preceding the Employee's retirement date, will be immediately reduced to the amount in the following schedule based upon the Employee's age at retirement. A 10% reduction will occur on the first of the month following the retiree's birthday and annually thereafter.

Art. IV, 4.11(d)(2)(ii)

If an executive Employee retires after age 66, and elects or increases Optional Life Insurance as provided for in subsection (d)(1) above, such elected amount of coverage (or increase in coverage) will be subject to reduction as follows:

- (aa) If an executive Employee is uninsured upon retirement and enrolls in Optional Life Insurance, the amount elected will be immediately reduced to the amount in the following schedule, based upon the Employee's age as of the effective date of coverage. A 10% reduction will occur on the first of the month following the retiree's birthday and annually thereafter.
- (bb) If an executive Employee is already insured for Optional Life Insurance and elects to increase coverage upon retirement, the increased amount of coverage will be immediately reduced to the amount in the following schedule, based upon the Employee's age as of the effective date of the increase in coverage. Thereafter, the 10% reduction of the total amount of coverage in force will continue annually on the first of the month following the retiree's birthday as stated in this subsection above.